PROVINCE OF SASKATCHEWAN

# 09-10

## ANNUAL REPORT

**PUBLIC SERVICE SUPERANNUATION BOARD**

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# Letters of Transmittal

His Honour, The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I have the honour to submit herewith the eighty-third Annual Report of the Public Service Superannuation Board, together with the financial statements, for the fiscal year ending March 31, 2010, pursuant to the provisions of Section 69 of *The Public Service Superannuation Act.*

Rod Gantefoer
Minister in Charge
Public Service Superannuation Board

The Honourable Rod Gantefoer
Minister in Charge
Public Service Superannuation Board

Sir:

On behalf of the Public Service Superannuation Board, I have the honour to present herewith the eighty-third Annual Report of the Public Service Superannuation Board for the fiscal year ended March 31, 2010.

Brian Smith
Board Chair

# Chair's Comments

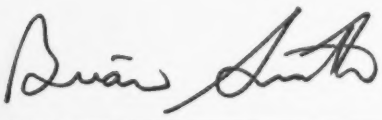
It is my privilege to serve as Chair for the Public Service Superannuation Board. The Board consists of three members appointed by the Lieutenant Governor in Council.

The Public Service Superannuation Plan (PSSP) came into effect on May 1, 1927. The enrolment of new members ended at the inception of the Public Employees Pension Plan on October 1, 1977. This is therefore a closed plan.

The Board updated its business plan goals, objectives and initiatives in March 2009. The business plan covers the six year period of 2009-2015. This annual report reports initiatives for that period as well as the activities accomplished in 2009-2010.

In managing the assets of the Saskatchewan Transportation Company Employees Superannuation Fund, the Board reviews the performance of the Fund's investments in terms of the performance of a benchmark portfolio over rolling four-year periods. The Board measures the performance of the investment managers against the objectives set for that portfolio.

On behalf of the Board, I am presenting the 2009-2010 Annual Report for the Public Service Superannuation Plan.



Brian Smith
Board Chair

# Introduction

The primary purpose of the Public Service Superannuation Board is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The Public Service Superannuation Plan (PSSP) also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent, to retirement.

The Plan is a defined benefit pension plan, which provides a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the Plan make contributions at a rate of seven per cent, eight per cent or nine per cent, depending on their age when they entered the Plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

The Plan is governed by *The Public Service Superannuation Act,* which came into being on May 1, 1927.

The Act also governs employees of The Anti-Tuberculosis League and the Saskatchewan Transportation Company.

The Plan was closed to new members as of October 1, 1977.

# Public Service Superannuation Board

The Board, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of *The Public Service Superannuation Act*. At March 31, 2010, the Board was composed of three members (listed in *Table 1.1*).

| Public Service Superannuation Board Members | |
|---|---|
| Brian Smith | Chair |
| Richard McKillop | Member |
| Carolyn Salloum | Member |

*Table 1.1*

Members of the Board receive no compensation for the performance of their roles as Board members. They are remunerated for reasonable expenses for attending Board meetings and other functions in their capacity as Board members.

**Administration**

The Board is ultimately responsible for the Plan's administration, communication and investment activities. To discharge these responsibilities, the Board uses the services of various organizations.

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. PEBA provides the following administrative services for the Public Service Superannuation Plan:

- provides pension estimates, estimates on terminations, deaths and breakdowns of spousal relationships, and transfer values for members wishing to transfer into PSSP from other pension plans;
- prepares annual member statements by the end of June of each year;
- calculates termination, pension, and death benefits;
- accounts for all investment transactions;
- collects members' and employers' contributions; and
- provides executive management services to the Board.

PEBA is responsible for ensuring that all transactions are made in accordance with *The Public Service Superannuation Act*, *The Superannuation (Supplementary Provisions) Act* and their related regulations.

The Board retains Greystone Capital Management Inc. as the investment manager for the Saskatchewan Transportation Company Employees Superannuation Fund. Hewitt Associates is retained as the investment consultant for the Fund.

**Mission**

Our mission as the Plan's administrator is to manage the Plan solely in the best interests of the members.

# Business Plan Goals, Objectives and Initiatives

In 2009, the Board adopted a multi-year business plan to achieve the Plan's goals through to 2014-2015.

The business plan allows the Board to focus on making key decisions to set a clear direction for the Plan's future. Annual reports are used to assess overall progress toward goals and initiatives and to adjust future plans and activities.

The business plan sets out initiatives for the planning period within four business goals:

**A. Service Delivery, Design and Communications**:

Plan members have access to the information they require to make decisions about their retirement.

**B. Plan Governance**:

The Board's governance processes ensure the Board has the information it needs to provide effective oversight of the Plan.

**C. Accountability**:

The activities of the Board and its service providers are reported.

**D. Risk Management**:

Risks facing the Plan are identified and effective strategies are employed to manage those risks.

The initiatives used to support these goals and the associated objectives are not generally time bound. Rather, they are initiatives that are required to be undertaken on an ongoing basis.

# Business Plan Goals, Objectives and Initiatives

## A. Service Delivery, Design and Communications

Plan members have access to information needed to make the decisions they make within the Plan.

The immediate focus of the service delivery will be primarily on the remaining non-retired active members of the Plan until such time as all or substantially all of the active members have retired. The primary focus will shift to service delivery for retired members.

**Objective**

- Plan members have access to the information they require to make the decisions about their retirement.

**Activities Accomplished in 2009-2010**

- At the Board's November 2009 meeting, PEBA provided a report to the Board that confirmed PEBA is able to provide services, within the service standards set by the Board, over the next five years.
- Retire*With*Ease, the Plan's retirement planning session, is available to all members of the Plans that PEBA administers. These sessions are scheduled throughout the year across Saskatchewan. The schedule, locations and information materials are available on the website. Members may register to attend a session online or by fax.
- Members and the employers have access to Plan information via the website, PEBA administration staff, Plan overview sessions, and Retire*With*Ease sessions. Communication materials include the member booklet (updated January 2010), InfoSheet publications (updated January 2010), Annual Reports, Statement of Investment Policies and Goals (SIP&G) for the Saskatchewan Transportation Company Employees Superannuation Fund (approved June 2009), Employer Administration Guide and information sheets, and online pension-related articles (regularly reviewed and updated).
- The annual member statements were issued on May 29, 2009.

**Activities Planned through to 2014-2015**

- Continued review, monitoring and reporting of the ongoing activities related to service delivery, design and communications. These ongoing activities include the continued delivery of Retire*With*Ease, Plan overview sessions, and member and employer communication materials.

# Business Plan Goals, Objectives and Initiatives

## B. Plan Governance

The Board's governance processes ensure the Board has the information needed to provide effective oversight of the Plan. The Board has developed its governance practices and policies in recent years and will continue to implement and maintain its governance program.

**Objectives**

- The Board has the information it needs.
- The governance model is appropriate for the Plan.

**Activities Accomplished in 2009-2010**

- The Board approved the Business Plan for the period 2009-2010 to 2014-2015 at its March 2009 meeting.
- The Board approved its updated Governance Manual at its November 2009 meeting. The substantive updates included the addition of a listing of the information that the Board receives and the rules and procedures for acting on that information and the addition of the Chairperson's responsibilities and duties.
- The Board reviewed and signed its Code of Conduct and conflict of Interest Procedures at its November 2009 meeting.
- The Board reviewed and approved the Governance Self-Assessment Questionnaire at its March 2010 meeting. The questionnaire is available on the website.
- The Board received the PEBA Quarterly Administration Report for the 2009 periods ending March 31, September 30, and December 31 at its meetings in June 2009, November 2009 and March 2010, respectively. Delivered via e-mail in August 2009, the Board received the report for the period ending June 30, 2009. The report provides the Board with updates in regard to the financial statements, budget, Plan administration, PEBA administration, and PEBA risk management.

**Activities Planned through to 2014-2015**

- Provide the Minister of Finance with a recommendation indicating that it is appropriate to undertake a review of the governance model for the Plan.
- Continued review, monitoring and reporting of the ongoing activities related to Plan Governance. These ongoing activities include the quarterly administration reporting process, annual review of the Governance Manual, annual review of the Code of Conduct and Conflict of Interest Procedures, and annual self-assessment process.

# Business Plan Goals, Objectives and Initiatives

## C. Accountability

The activities of the Board and its service providers are reported.

Effective plan management requires a strong focus on accountability, the basis of which is the establishment of measurable objectives and the monitoring of progress against these objectives. To ensure accountability, the reporting of results is critical.

The Board has established administration service standards and a Statement of Investment Policies and Goals (SIP&G) for the Fund.

**Objective**

- The Board reports results to stakeholders.

**Activities Accomplished in 2009-2010**

- The Public Service Superannuation Plan Annual Report for the period ending March 31, 2009 was tabled with the Legislative Assembly of Saskatchewan on July 23, 2009. The Annual Report included enhancements as identified and approved by the Board. The Annual Report is available on the website.
- The PEBA Quarterly Administration Report provides the Board with quarterly service standard performance reporting.
- The Board approved the SIP&G for the Saskatchewan Transportation Company Employees Superannuation Fund at its meeting in June 2009. The SIP&G is available on the website.
- The Governance Self-Assessment Questionnaire, as approved at the Board's March 2010 meeting, is available on the website.

**Activities Planned through to 2014-2015**

- Continued review, monitoring and reporting of the ongoing activities related to accountability. These ongoing activities include review and identification of enhancements to the Plan's website and Annual Report.

# Business Plan Goals, Objectives and Initiatives

## D. Risk Management

Risks facing the Plan are identified and strategies are employed to manage those risks.

Effective governance requires a strong focus on risk management, the basis of which is the identification and quantification of risks and the development and implementation of effective strategies to manage the risks.

The Board has established an annual risk management planning process. This includes the identification of risks and the development and implementation of strategies to manage the risks. The Board also annually reviews the results of its risk management process.

**Objectives**

- The Board identifies and manages the risks of the Plan.
- The SIP&G for the Saskatchewan Transportation Company Employees Fund is appropriate.

**Activities Accomplished in 2009-2010**

- The Board approved its 2008-2009 Risk Management Review and 2009-2010 Risk Management Plan at the meeting in June 2009.
- At the meeting in November 2009, the Board received confirmation that its service providers maintain a regularly reviewed Business Continuance Plan and abide by a conflict of interest policy.
- The Board approved the SIP&G for the Saskatchewan Transportation Company Employees Superannuation Fund at its meeting in June 2009. The SIP&G is available on the website.
- PEBA filed its Disaster Recovery Plan and Business Continuance Plan with the Board's Executive Secretary in December 2009.

**Activities Planned through to 2014-2015**

- Continued review, monitoring and reporting of the annual risk management planning and review process.
- Review the SIP&G for the Saskatchewan Transportation Company Employees Superannuation Fund to ensure it is appropriate in terms of meeting the on-going cash needs of the Saskatchewan Transportation Company portion of the Plan.

# Investments

### Investment Performance

The Minister of Finance is responsible for holding in trust and investing the monies in the Saskatchewan Transportation Company Employees Superannuation Fund (Fund). The Minister has delegated these responsibilities to the Public Service Superannuation Board, who in turn have retained the services of Greystone Managed Investments Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long-term investment performance goals set out by the Board in their Statement of Investment Policies and Goals for the Fund.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed as shown in *Table 1.2.*

| Benchmark Portfolio | | |
|---|---|---|
| **Asset Class** | **Market Index** | **Weight** |
| Canadian | S&P/TSX Capped Composite Index | 15% |
| US | S&P 500 Index | 10% |
| Non-North American | MSCI EAFE Index | 10% |
| Fixed Income Bonds | DEX Universe Bond Index | 60% |
| Short-Term Investments | DEX 91 Day T-Bill Index | 5% |
| Total | | 100% |
| See Appendix 'A' for a description of market indices. | | |

*Table 1.2*

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period.

It is against this objective that the Board assesses the performance of the investment manager.

The performance history of the Fund as of March 31, 2010 is shown in *Table 1.3.*

| Fund Performance | | |
|---|---|---|
| | **1-Year Return** | **Rolling 4-Year Average** |
| Fund Return | 14.1% | 3.4% |
| Benchmark Return | 13.5% | 3.2% |

*Table 1.3*

# Plan Administration

The Board has delegated the day-to-day administration of the Plan and management of its assets to PEBA.

PEBA provides all services required to operate, administer and manage the Plan in a manner consistent with and according to all statutory provisions and regulations that apply to the Plan. PEBA reports measurement against standards to the Board quarterly. *Table 1.4* provides measurement results for the 2009-2010 year.

PEBA provides Senior Executive Officer services and Executive Secretary services to the Board.

In 2009-2010, the Board paid PEBA $1,244,925 for administrative services.

Any deficiencies in the Plan are paid out of the General Revenue Fund and are the responsibility of the Government of Saskatchewan. For the most part the Plan is unfunded, although some monies are held in the Saskatchewan Transportation Company Employees Superannuation Fund.

**PEBA Service Standards April 1, 2009 to March 31, 2010**

| Task | Completed | Number that Meet or Exceed Standard | % that Meet or Exceed Standard | Standard* (Days) |
|---|---|---|---|---|
| Statement on termination | 2 | 2 | 100.0 | 60 |
| Payments | 2 | 2 | 100.0 | 14 |
| Retirements | 182 | 179 | 98.4 | 30 |
| Deaths | 252 | 247 | 98.0 | 30 |
| Pension estimates | 386 | 339 | 87.8 | 60 |
| Spousal breakdown calculations | 3 | 3 | 100.00 | 45 |
| Reciprocal transfer values | 0 | 0 | n/a | 30 |
| Purchase of service | 11 | 9 | 81.8 | 30 |
| General inquiries | 17 | 16 | 94.1 | 14 |
| Total | 855 | 797 | 93.2 | - |

** Standard is set within the contract between the Board and PEBA.*

*Table 1.4*

# Plan Expenditures and Statistics

**Benefit Payments**

Benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

Annual pensions are calculated as two per cent of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35 years. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

In the year ended March 31, 2010, PSSP paid a total of $118.8 million in benefits to pensioners, including retired employees of the Saskatchewan Transportation Company and The Anti-Tuberculosis League.

**Contributions to the Plan**

In accordance with the contribution schedules, employee contributions to the Plan during the year totaled $2,438,000. This compares to $2,894,000 as of the previous fiscal year end. In addition, employer contributions were made to the Plan during the year, totaling $702,000, a decrease from $893,000 the previous year.

*Table 1.5 shows the number of active and retired employees in the Plan as of the current and prior year-ends.*

**Active and Retired Employees**

| | March 31, 2010 | | | March 31, 2009 | | |
|---|---|---|---|---|---|---|
| | PSSP | Anti-TB | STC | PSSP | Anti-TB | STC |
| Active Employees | 890 | 0 | 6 | 1,008 | 0 | 8 |
| Inactive Employees | 115 | 2 | 5 | 104 | 3 | 5 |
| Retired Employees* | 5,691 | 55 | 121 | 5,715 | 58 | 124 |
| | **6,696** | **57** | **132** | **6,827** | **61** | **137** |

** Includes superannuates, plus their dependants now in receipt of a survivor pension*

*Table 1.5*

These tables are summaries that show the total number of death benefits paid on behalf of superannuates who died during the year and benefits upon termination of employment other than retirement.

**Death Benefit Summary**

| | March 31, 2010 | March 31, 2009 |
|---|---|---|
| Superannuate Survivor Pension | 72 | 71 |
| Superannuate Cash Benefit | 3 | 1 |
| **Totals** | **75** | **72** |

*Table 1.6*

**Termination of Employment Summary**

| | March 31, 2010 | March 31, 2009 |
|---|---|---|
| Cancel Deferred | 2 | - |
| Termination of Membership | 1 | - |
| Reciprocal Transfers | - | - |
| **Totals** | **3** | **-** |

*Table 1.7*

# Plan Expenditures and Statistics

| Table Summary* | | | |
|---|---|---|---|
| | | March 31, 2010 | March 31, 2009 |
| Table 1 | Attained Age 65 | 5 | 3 |
| Table 2 | Attained Age 60 - with reduction | - | - |
| Table 3 | Attained Age 60 - no reduction | 14 | 36 |
| Table 4 | Attained 35 years of Service | 153 | 103 |
| Table 5 | Age 55 and 30 years service - reduced pension | 4 | 9 |
| Table 6 | Ill Health Pension | - | - |
| Table 7 | Granted Deferred Allowance | - | - |
| Table 8 | Deferred Allowance now Payable | 3 | 9 |
| Table 9 | Early Retirement Allowance | - | - |
| Table 10 | Deceased Employees | 4 | 4 |
| **Totals** | | **183** | **164** |

* *Tables on pages 15-21.*

*Table 1.8*

# Tables

The following tables show all employees who retired during the year, including employees of the Saskatchewan Transportation Company and The Anti-Tuberculosis League.

The tables are divided by category of retirement and include employees who terminated and elected retirement at a future date, as well as those who died during the year.

**Table 1**

**Employees Retired Having Attained the Age of Retirement - Age 65**

| Name | Position | Last Monthly Salary | Age |
|---|---|---|---|
| Blommaert, Kenneth Omer | Professional Level 5 | $7,408.26 | 65 |
| Collee, Gwen Elaine | Park Gate Attendant Level 3 | $3,436.00 | 65 |
| Fiedler, Lawrence A. | Supervisor of Operations Level 8 | $4,750.55 | 65 |
| McKee, Wilma Jane | Medical Office Assistant | $2,965.56 | 65 |
| Paul, George | SGEU Level 6 Maintenance | $4,072.71 | 65 |

**Table 2**

**Employees Retired at Their Option After Age 60 - With Reduction**

| Name | Position | Last Monthly Salary | Age |
|---|---|---|---|
| none | | | |

**Table 3**

**Employees Retired at Their Option After Age 60 - No Reduction**

| Name | Position | Last Monthly Salary | Age |
|---|---|---|---|
| Baron, David William | Director Curator/Archaeologist Level 8 | $8,399.08 | 63 |
| Broda, David John | Family Connections Program Supervisor Level 10 | $5,748.06 | 60 |
| Chermcara, Garry M. | Heavy Equipment Mechanic Level 8 | $4,143.48 | 60 |
| Hanson, Gerald Franklin | Ferry Operator Level 5 | $3,580.40 | 62 |
| Hirtle, J. Gwen | Park Maintenance Worker | $2,859.61 | 64 |
| Kulach, Mary E. | Accounting Clerk Level 6 | $3,927.30 | 64 |
| Lowenberger, Herbert R. | Document Processor Level 4 | $3,118.91 | 63 |
| McRae, Thomas O. | Maintenance Worker Level 4 | $3,491.61 | 60 |
| Purves, Glen W. | Pasture Manager Level 6 | $4,072.71 | 60 |
| Ricalton, David L | Maintenance Worker Level 4 | $3,091.83 | 60 |
| Sieh, Helmut | Maintenance Coordinator | 31.45/hr | 60 |
| Weisgerber, Raymond W. | Instructor | $5,644.84 | 61 |
| Zborowski, Dianne | Grant Administrator Level 4 | $3,366.95 | 61 |
| Zepp, John Edward | Director/MCP Level 10 | $9,352.06 | 60 |

# Tables

**Table 4**

| Employees Retired at Their Option With 35 Years Service | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Alexander, Mark Frederick | Corrections Worker Level 8 | $4,750.55 | 53 |
| Anderson, Clara Emily | Manager Asset Management MCP Level 5 | $5,294.95 | 60 |
| Ast, Brian Fred | Central Communications Worker Level 8 | $4,750.55 | 55 |
| Baldwin, Barry A. | Equipment Operator Level 8 | $4,333.81 | 56 |
| Ballard, Lyle M. | Business Consultant Level 11 | $6,323.01 | 57 |
| Banks, Gerald Dale | Hatchery Manager/Biologist MCP Level 6 | $6,641.92 | 62 |
| Belof, Tessie Virginia | Family Income Plan/Document Processor Level 5 | $3,636.20 | 56 |
| Bender, Wade Joseph | Strategic Software Consultant | $7,686.38 | 61 |
| Benson, Brian Wesley | Operations & Maintenance Foreman | $2,287.68 | 59 |
| Bilokreli, Darlene Ann | Consumer Protection Investigator Level 8 | $4,580.94 | 54 |
| Blackman, Duncan Herbert | Consultant MCP Level 6 | $6,941.01 | 57 |
| Bohnert, Dennis John | Enviro Services Supervisor | $3,147.31 | 57 |
| Boothman, Marlene Linda | Accounting Clerk Level 5 | $3,636.20 | 58 |
| Britton, Elaine A. M. | Child Protection Supervisor Level 10 | $5,748.06 | 56 |
| Bunkosky, Robin J. | Equipment Operator 06 | $4,072.71 | 55 |
| Carey, Colleen | Human Resources Consultant MCP Level 7 | $8,247.97 | 54 |
| Cherneski, Kim S. | Document Processing Level 7 | $4,334.71 | 55 |
| Chernysh, Joseph | Forestry Officer Level 8 | $5,443.77 | 63 |
| Cloarec, Richard | Journeyman Welder | $4,751.00 | 54 |
| Coates, Elena Rose Ann | Internal Change Consultant | $5,423.97 | 53 |
| Colwell, Darlene E. | Court Clerk Level 7 | $4,241.48 | 55 |
| Conly, Karen L. | Office Manager Level 5 | $6,310.93 | 54 |
| Cortus, Gary | Regional Manager Level 12 | $6,955.40 | 58 |
| Couillonneur, Thomas S. | Fire Fighter Level 4 | $3,191.61 | 64 |
| Crowdis, Eunice | Secretary Clerk Level 5 | $3,636.20 | 57 |
| Culbertson, Beverly | Level 8 Equipment Operator | $4,625.82 | 56 |
| Davis, Robert E. | Finance Assistant | $18.59/hr | 54 |
| Dawe, Pauline K. | Deputy Sheriff Level 6 | $4,439.46 | 58 |
| Dawson, Janet L. | Secretary Level 5 | $3,636.20 | 55 |
| De Montarnal, Roger | Awareness/Preventative Education Officer Level 6 | $5,443.76 | 58 |
| Dobersheck, Carol Lynne | Accounting Clerk | $3,927.30 | 56 |
| Donald, Lawrence D. | Storekeeper | $4,327.61 | 55 |
| Douglas, Dwayne E. | MCP Level 6 PFT Human Resource Management | $6,941.01 | 53 |
| Duff, Archella | Adjuster 1 - Auto | $4,210.00 | 55 |
| Duval, Colleen | Stockroom Manager Level 8 | $5,258.00 | 54 |

# Tables

**Table 4**

**Employees Retired at Their Option With 35 Years Service**

| Name | Position | Last Monthly Salary | Age |
|---|---|---|---|
| Eberle, M. Brian | Deputy Sheriff Level 8 | $4,750.55 | 60 |
| Enns, George | Supervisor | $7,493.59 | 63 |
| Ewasienko, Eileen | Management Support | $4,067.70 | 57 |
| Fahlman, Harvey | Information Technologist | $5,658.43 | 54 |
| Favel, Linda M. | Clerk Level 5 | $3,636.20 | 53 |
| Folster, Gary M. | Equipment Operator | $2,460.48 | 53 |
| Forsyth, Jack C. | Storekeeper Level 7 | $4,398.53 | 56 |
| Frey, Gordon E. | Forester Level 10 | $5,748.06 | 57 |
| Gallagher, William C. | Correctional Worker | $5,225.37 | 56 |
| Ganes, Lorisa M. | Office Administrator | $4,769.82 | 55 |
| Gergely, Darlene R. | Secretary Clerk Level 3 | $3,176.94 | 53 |
| Glass, Sandra | Nurse B | $6,994.57 | 55 |
| Gobert, Garnet | Policy & Program Development Analyst | $6,956.00 | 60 |
| Grainger, Waller | Document Processing Level 5 | $3,636.20 | 55 |
| Green, Connie A | Accounting Clerk Level 5 | $3,636.20 | 53 |
| Gutka, Allan H. | Supervisor of Operations Level 8 | $4,750.55 | 56 |
| Gutowski, Victor | Supervisor of Operations Level 8 | $4,750.55 | 57 |
| Hale, Sharleen Kristine | Income Security Worker Level 8 | $4,580.94 | 54 |
| Hand, James R. | Equipment Operator Level 8 Supervisor | $4,750.55 | 54 |
| Hansen, Alan Lawrence | Building Manager MCP Level 6 | $6,941.01 | 56 |
| Harder, Rodney Dale | Municipal Planner Level 10 | $6,349.06 | 57 |
| Harrison, Tejwant K. | Program Head | $7,215.45 | 62 |
| Hatharasinghe, Carmen D. | Senior Admin Coordinator MCP Level 2 | $4,475.33 | 56 |
| Hoeft, Delores | Team Lead Search | $3,927.30 | 56 |
| Jackson, Linda J. | Accountant Level 12 | $6,707.06 | 56 |
| Janz, Paulette A. | Account Clerk Level 5 | $3,636.20 | 53 |
| Johnson, Barry J. | TP Mechanic Level 6 | $35.175/hr | 55 |
| Johnson, Ole Theodore | Journeyman Welder Level 8 | $4,750.55 | 63 |
| Karpinski, Betty Lou | Management Consultant Level12 | $6,955.40 | 54 |
| Kasick, Allan Royal | Lab Technologist Level 11 | $6,490.22 | 56 |
| Kato, Diana | Clerk Level 3 | $3,097.00 | 63 |
| Keck, Douglas | Stockkeeper/Storekeeper Level 6 | $3,927.30 | 58 |
| Kenny, Karen | Director Population Health | $55.959/hr | 58 |
| Kimbley, Philip P. | Human Resources Manager MCP Level 8 | $8,037.00 | 57 |
| Kingsland, Sidney | Project Technician | $3,491.61 | 54 |
| Kipper, Marilyn Wilson | Steno Clerk Level 2 | $2,122.46 | 60 |

*continued*

# Tables

**Table 4 (continued)**

| Employees Retired at Their Option With 35 Years Service | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Koch, Harvey E. | Speciality Testing Management Level 9 | $5,225.37 | 63 |
| Kolenchuk, Darlene L. | Management Support Level 1 | $4,067.70 | 56 |
| Korpan, Garry Joseph | Equipment Operator Level 6 | $3,677.67 | 55 |
| Kramer, Stuart | President | $13,971.50 | 59 |
| Laing, Eric J. | Building Project Supervisor Level 9 | $5,720.56 | 63 |
| Langill, Donald E. | Senior Tax Auditor Level 13 | $7,650.87 | 58 |
| Larson, Lorne A. | Project Specialist Level 9 | $5,225.36 | 59 |
| Laxdal, Thomas G. | Director of Fire Control Level 9 | $9,238.97 | 57 |
| Leblanc, Arcade J. | Storekeeper Level 7 | $4,398.53 | 60 |
| Loch, Keith A. | Store Keeper Level 7 | $4,060.56 | 57 |
| Loch, Walter | Nurse's Aid | $2,900.86 | 58 |
| Loveday, Brian | Document Processing Level 3 | $3,294.57 | 55 |
| MacDonald, Gordon Nelson | Tax Auditor Level 8 | $5,599.71 | 64 |
| MacDonald, Sandra Dianne | Human Resource Consultant/MCP Level 6 | $6,941.01 | 64 |
| Martynook, Jeanette | Accounting Clerk Level 5 | $3,636.20 | 59 |
| McNaughton, Daniel Joseph | Pasture Manager Level 6 | $4,072.71 | 55 |
| Melnychuk, Janet Lynne | Admin Manager MCP Level 6 | $6,922.16 | 53 |
| Migneault, Marjorie | Income Security Worker Level 8 | $4,580.94 | 64 |
| Millard, Donald B. | Research/Policy Officer Level 12 | $6,707.06 | 57 |
| Minion, Dale R. | Government Services Management Level 8 | $8,399.08 | 53 |
| Minter, Delbert | Design Engineer - MCP level 7 | $7,637.06 | 58 |
| Mitchell, Gregory L. | Resource Technologist Level 8 | $4,545.91 | 54 |
| Mondor, Carmelle L. | Program Manager Level 11 | $6,097.26 | 58 |
| Neilson, Wanda T. | Document Processing Level 4 | $3,366.95 | 60 |
| Neufeld, Howard | Journeyperson Mechanic Level 8 | $4,750.55 | 60 |
| Nordstrom, Gregory Paul | Supervisor, Equipment Operator Level 8 | $4,750.55 | 56 |
| Nordstrom, James A. | Head of Laundry Services | $3,147.31 | 59 |
| Osicki, Greg | Facilities Planner Level 10 | $7,083.18 | 56 |
| Panagabko, Dianne D. | Document Processing Level 6 | $4,241.48 | 55 |
| Park, Wilma J. | Stockkeeper/Storekeeper Level 6 | $3,927.30 | 55 |
| Parker, Janice L. | Therapist 1 | $3,717.13 | 56 |
| Parr, Cheryl | Nurse Level 10 | $6,758.52 | 53 |
| Payne, Linda Ann | Secretary Level 4 | $3,366.95 | 54 |
| Petruic, Kenneth Theodore | Financial Service Manager/Accountant Level 10 | $6,273.38 | 58 |
| Pfeifer, Bernard Walter | Equipment Operator Level 8 | $4,750.55 | 53 |
| Pompu, Morris | Maintenance Worker | $20.365/hr | 55 |
| Power, Thomas L. | Regional Administration Manager Level 6 | $6,655.98 | 59 |

*continued*

# Tables

**Table 4 (continued)**

| Employees Retired at Their Option With 35 Years Service | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Pyle, Wilf Edward | Manager Crown Lands MCP Level 8 | $8,399.08 | 62 |
| Rivard, Norma Anne | Supervisor Level 11 | $6,323.01 | 57 |
| Roh, Donna J. | Admin Officer | $4,667.36 | 58 |
| Sapara, Mervin | Program/Office Administrator Level 8 | $6,133.76 | 54 |
| Schmidt, James Joseph | Senior Agrologist Level 12 | $6,955.40 | 62 |
| Schmidt, Teresa M. | Manager Financial Services | $5,877.30 | 53 |
| Senger, Alvin A. | Supervisor of Operations Level 8 | $4,750.55 | 55 |
| Sherar, Wendy M. | HR Admin Assistant/Secretary Level 5 | $3,479.58 | 55 |
| Shewchuk, Derald R. | Journey Person Heavy Equipment Level 8 | $4,750.55 | 57 |
| Shook, Richard B | Nurse 3 Level 10 | $6,758.52 | 53 |
| Sidaway, Frederick J. | Lab Scientist Level 13 | $7,582.08 | 57 |
| Simon, Maureen | Deputy Local Registrar Level 07 | $4,241.49 | 57 |
| Silljer, Keith | Groundskeeper Level 5/Carpenter | $3,150.87 | 55 |
| Skeoch, Judith Lynn | Storekeeper Level 6 | $3,927.30 | 57 |
| Smith, Deborah M. | Area Office Co-ordinator Level 5 | $3,770.84 | 54 |
| Smith, Ian | Mail Clerk Level 3 | $3,176.94 | 60 |
| Snodgrass, Lowell | Municipal Project Engineer Level 7 | $7,637.06 | 60 |
| Starling, Darrell F. | Equipment Operator Level 8 | $4,750.55 | 54 |
| Stobee, Leslie | Instructor | $6,183.16 | 56 |
| Sweet, Richard L. | Assessment Appraiser | $5,253.00 | 59 |
| Tady, Maureen | Document Processing Level 6 | $3,927.30 | 56 |
| Taschow-Graupe, Cornelia D. | Correspondence Teacher | $6,614.40 | 61 |
| Taylor, Cheryl | Policy Analyst CRO 10 | $5,543.00 | 57 |
| Taylor, Jim Alan | Facility Operator Level 5 | $3,770.84 | 54 |
| Timm, Helen Ruth | SIAST Nursing Instructor | $7,304.58 | 55 |
| Trzaskowski, Stan | Assistant Instructor | $5,359.16 | 62 |
| Vande Velde, Brenda | Income Security Worker Level 8 | $4,580.94 | 57 |
| Viklund, Linda A. | Foreman | $3,701.29 | 56 |
| Volk, Jerome Gabriel | Office Administrator Level 9 | $5,039.89 | 61 |
| Vopni, Randolph A. | Regional Specialist Agriculture Operations Level 11 | $6,323.01 | 59 |
| Walker, Sandra J. | Manager - Administration | $6,665.17 | 53 |
| Wallace, John B. | Regional Support Analyst | $5,189.96 | 56 |
| Watling, Patricia | Executive Assistant | $4,922.09 | 57 |
| Wehage, George M. | Project Manager Level 5 | $6,310.93 | 62 |
| Weinbender, Daryl B. | Equipment Operator Level 5 | $3,770.84 | 54 |
| Weist, Brian L. | Lab Scientist | $6,490.22 | 56 |
| Wendel, Leslie E. | Principal | $9,583.33 | 59 |

*continued*

**Table 4 (continued)**

| Employees Retired at Their Option With 35 Years Service | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| White, Grant B. | Equipment Operator Level 5 | $3,770.84 | 54 |
| Whitehead, Richard | Supervisor of Operations Level 8 | $4,750.55 | 56 |
| Wild, Laureen M. | Pension Clerk Level 5 | $3,636.20 | 53 |
| Wilson, Daniel Victor | Heavy Duty Mechanic Level 7 | $4,398.53 | 55 |
| Wojnarski, Carol | Document Processing Clerk Level 5 | $3,636.20 | 53 |
| Wood, Raye Alfred | Lab Scientist Level 11 | $6,490.22 | 59 |
| Wyatt, Gary | Engineering Design Supervisor Level 7 | $7,637.06 | 62 |
| Young, Marie | Document Processor Level 4 | $3,366.95 | 61 |

# Tables

**Table 5**

| Employees Retired After Age 55 with Minimum 30 Years Service - Reduced | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Courchaine, Donelda Gail | Manager | $7,130.00 | 55 |
| Davies, Jonathan R. | Express Service Attendant 1 | $19.54/hr | 59 |
| Halliwell, Roy W. | Corrections Worker Level 8 | $4,750.55 | 58 |
| Stoll, Blaine | ATCC Consultant Level 9 | $5,225.36 | 55 |

**Table 6**

| Employees Retired On Grounds of Ill Health | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| none | | | |

**Table 7**

| Employees Granted Deferred Allowances | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| none | | | |

**Table 8**

| Employees Granted Deferred Allowances - Now Payable | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Gilbert, Evelyn L. | Instructor | $5,794.66 | 60 |
| Heron, Barry Keith | SIAST Continuing Education Consultant | $6,431.66 | 60 |
| Wrigley, Kim Clegg | Professional Level 9 | $6,015.00 | 62 |

**Table 9**

| Employees Granted an Early Retirement Allowance | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| none | | | |

**Table 10**

| Deceased Employees | | | |
|---|---|---|---|
| **Name** | **Position** | **Last Monthly Salary** | **Age** |
| Hodgins, Sherry Lynn | Secretary Level 4 | $3,254.24 | 54 |
| Strandberg, Sharon | Office Coordinator | $3,795.78 | 55 |
| Voth, Gerald | Labourer | $3,348.37 | 59 |
| Cornish, John | Group Activities Aide | $3,277.78 | 59 |

# Management's Report

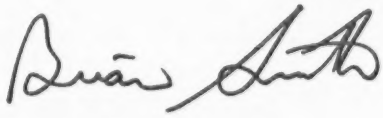
To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Ministry of Finance. Management is responsible for financial administration and administration of the Funds and fund assets.

The financial statements which follow have been prepared by management in conformity with Canadian generally accepted accounting principles. Management uses internal controls and exercises its best judgment in order that the financial statements fairly reflect the financial position of the Plan.

The accrued pension benefits are determined by an actuarial valuation. Actuarial valuation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan.

The financial statements have been audited by the Provincial Auditor whose report follows.



Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

Kathy Deck, CGA
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
June 2, 2010

# Actuaries' Opinion

Aon Consulting Inc. was retained by the Public Service Superannuation Board (the Board) to perform actuarial valuations of the accrued pension benefits of the Public Service Superannuation Plan, including the Public Service Superannuation Fund, the Anti-Tuberculosis League Employees Superannuation Fund, and the Saskatchewan Transportation Company Employees Superannuation Fund (the Plan) on an accounting basis as at December 31, 2008. Aon Consulting Inc. was further retained to extrapolate the results of this valuation to March 31, 2009 and March 31, 2010.

The actuarial valuations and extrapolations were based on:

- Membership data provided by the Board as at December 31, 2008;
- Asset data provided by the Board as at March 31, 2010;
- Methods prescribed by The Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Consulting Inc. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate the present value of the accrued pension benefits for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are not unreasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data are sufficient and reliable for the purposes of the valuations and extrapolations. Our opinions have been given and our valuations and extrapolations have been performed in accordance with accepted actuarial practice.

David R. Larsen, FSA, FCIA
Aon Consulting Inc.

June 2, 2010

# Public Service Superannuation Board

# Public Service Superannuation Plan

## Financial Statements

**Year Ended March 31, 2010**

# Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits, accrued pension benefits and unfunded liability of the Public Service Superannuation Plan as at March 31, 2010 and the statements of changes in net assets available for benefits and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and unfunded liability of the Plan as at March 31, 2010 and the changes in net assets available for benefits and accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 2, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

## Public Service Superannuation Plan
## Statement of Net Assets Available for Benefits, Accrued Pension Benefits and Unfunded Liability

**Statement 1**

### As At March 31

| | Anti-Tuberculosis League Employees Superannuation Fund | | Sask Transportation Company Employees Superannuation Fund | | Public Service Superannuation Fund | | Total | |
|---|---|---|---|---|---|---|---|---|
| | (000's) | | (000's) | | (000's) | | (000's) | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| **ASSETS** | | | | | | | | |
| INVESTMENTS: (Note 3) | | | | | | | | |
| Pooled funds | $ - | $ - | $ 8,581 | $9,502 | $ - | $ - | $ 8,581 | $9,502 |
| RECEIVABLES: | | | | | | | | |
| Due from General Revenue Fund (Note 5) | - | - | 7 | 5 | - | - | 7 | 5 |
| Employees' contributions | - | - | - | 1 | 60 | 79 | 60 | 80 |
| Employers' contributions | - | - | - | 1 | 22 | 35 | 22 | 36 |
| Other receivables | 3 | 4 | 1 | 12 | 37 | 71 | 41 | 87 |
| Total assets | 3 | 4 | 8,589 | 9,521 | 119 | 185 | 8,711 | 9,710 |
| **LIABILITIES** | | | | | | | | |
| Contributions payable to General Revenue Fund | - | - | - | - | 36 | 59 | 36 | 59 |
| Accounts payable and accrued liabilities | 3 | 4 | 10 | 10 | 83 | 126 | 96 | 140 |
| Total liabilities | 3 | 4 | 10 | 10 | 119 | 185 | 132 | 199 |
| NET ASSETS AVAILABLE FOR BENEFITS (Statement 2) | - | - | 8,579 | 9,511 | - | - | 8,579 | 9,511 |
| Accrued pension benefits (Statement 3) | 3,191 | 3,423 | 25,564 | 26,024 | 1,898,650 | 1,853,333 | 1,927,405 | 1,882,780 |
| Unfunded liability | $3,191 | $3,423 | $16,985 | $16,513 | $1,898,650 | $1,853,333 | $1,918,826 | $1,873,269 |

(See accompanying notes to the financial statements)

## Public Service Superannuation Plan
## Statement of Changes in Net Assets Available for Benefits

**Statement 2**

### Year Ended March 31

| | Anti-Tuberculosis League Employees Superannuation Fund (000's) | | Sask. Transportation Company Employees Superannuation Fund (000's) | | Public Service Superannuation Fund (000's) | | Total (000's) | |
|---|---|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| **INCREASE IN ASSETS:** | | | | | | | | |
| Investment income | | | | | | | | |
| Distributions-Pooled Funds (Note 3) | $ - | $ - | $ 334 | $ 506 | $ - | $ - | $ 334 | $ 506 |
| | - | - | 334 | 506 | - | - | 334 | 506 |
| Increase in market value (Note 2) | - | - | 903 | - | - | - | 903 | - |
| Contributions (Note 6) | | | | | | | | |
| Employees' | - | - | 11 | 19 | 2,427 | 2,875 | 2,438 | 2,894 |
| Employers' | - | - | 11 | 19 | 691 | 874 | 702 | 893 |
| | - | - | 22 | 38 | 3,118 | 3,749 | 3,140 | 3,787 |
| Deficiency contribution from General Revenue Fund (Note 6) | 452 | 494 | - | - | 114,078 | 108,134 | 114,530 | 108,628 |
| Total increase in assets | 452 | 494 | 1,259 | 544 | 117,196 | 111,883 | 118,907 | 112,921 |
| **DECREASE IN ASSETS:** | | | | | | | | |
| Administration expense (Note 7) | 15 | 15 | 53 | 55 | - | - | 68 | 70 |
| Decrease in Market Value (Note 2) | - | - | - | 1,596 | - | - | - | 1,596 |
| Superannuation allowances | 437 | 479 | 2,138 | 2,107 | 116,230 | 111,220 | 118,805 | 113,806 |
| Refunds and transfers | - | - | - | - | 966 | 663 | 966 | 663 |
| Total decrease in assets | 452 | 494 | 2,191 | 3,758 | 117,196 | 111,883 | 119,839 | 116,135 |
| Net decrease in assets | - | - | (932) | (3,214) | - | - | (932) | (3,214) |
| NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR | - | - | 9,511 | 12,725 | - | - | 9,511 | 12,725 |
| NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR (Statement 1) | $ - | $ - | $ 8,579 | $9,511 | $ - | $ - | $ 8,579 | $9,511 |

(See accompanying notes to the financial statements)

## Public Service Superannuation Plan
## Statement of Changes in Accrued Pension Benefits

**Statement 3**

### Year Ended March 31

| | Anti-Tuberculosis League Employees Superannuation Fund | | Sask Transportation Company Employees Superannuation Fund | | Public Service Superannuation Fund | | Total | |
|---|---|---|---|---|---|---|---|---|
| | (000's) | | (000's) | | (000's) | | (000's) | |
| | **2010** | **2009** | **2010** | **2009** | **2010** | **2009** | **2010** | **2009** |
| ACCRUED PENSION BENEFITS, beginning of year | $3,423 | $3,763 | $26,024 | $27,758 | $1,853,333 | $1,909,437 | $1,882,780 | $1,940,958 |
| INCREASE IN ACCRUED PENSION BENEFITS | | | | | | | | |
| Change in assumptions (Note 4) | 73 | - | 440 | 101 | 69,689 | 12,541 | 70,202 | 12,642 |
| Interest on accrued pension benefits | 168 | 167 | 1,437 | 1,271 | 94,804 | 88,391 | 96,409 | 89,829 |
| Benefits accrued | - | - | 50 | 92 | 12,269 | 14,749 | 12,319 | 14,841 |
| Net experience loss (Note 4) | - | 79 | - | 593 | - | 34,802 | - | 35,474 |
| | 241 | 246 | 1,927 | 2,057 | 176,762 | 150,483 | 178,930 | 152,786 |
| DECREASE IN ACCRUED PENSION BENEFITS | | | | | | | | |
| Benefits paid | 437 | 479 | 2,138 | 2,107 | 117,196 | 111,883 | 119,771 | 114,469 |
| Net experience gain (Note 4) | 36 | - | 249 | - | 14,249 | - | 14,534 | - |
| Change in discount rate assumption (Note 4) | - | 107 | - | 1,684 | - | 94,704 | - | 96,495 |
| | 473 | 586 | 2,387 | 3,791 | 131,445 | 206,587 | 134,305 | 210,964 |
| ACCRUED PENSION BENEFITS, end of year (Statement 1) | $3,191 | $3,423 | $25,564 | $26,024 | $1,898,650 | $1,853,333 | $1,927,405 | $1,882,780 |

(See accompanying notes to the financial statements)

## Public Service Superannuation Plan
## Notes to the Financial Statements

## March 31, 2010

### 1. Description of the Plan

a) **General**

The Public Service Superannuation Board (Board) administers the funds that make up the Public Service Superannuation Plan (Plan). Day-to-day administration is provided by the Public Employees Benefits Agency (PEBA).

The Plan is a defined benefit final average pension plan. Plan details are contained in *The Public Service Superannuation Act* and *The Superannuation (Supplementary Provisions) Act*. The three main components of the Plan are described as follows:

*i) Anti-Tuberculosis League Employees Superannuation Fund*

The Anti-Tuberculosis League Employees Superannuation Fund (AntiTB Fund) was established under provisions of an amendment to *The Public Service Superannuation Act*, effective April 1, 1979.

*ii) Saskatchewan Transportation Company Employees Superannuation Fund*

The Saskatchewan Transportation Company Employees Superannuation Fund (STC Fund) was established by an amendment to *The Public Service Superannuation Act*, effective April 1, 1981. The STC Fund accumulates contributions of employees of the Saskatchewan Transportation Company as of March 31, 1981 and any investment income.

*iii) Public Service Superannuation Fund*

Members of the Public Service Superannuation Fund (PSSF) include those public service employees who were employed prior to October 1, 1977 and did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) **Funding Policy**

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions.

Certain employers are required to match employees' contributions in respect of current service.

c) **Retirement**

Normal retirement is at age 65. Members may retire earlier under certain conditions.

d) **Pensions**

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

e) **Income Tax**

The Plan is a registered pension plan as defined by the *Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to Canada Revenue Agency.

## 2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) **Change in Accounting Policies**

Effective for its fiscal year ended March 31, 2010, the Plan adopted the Canadian Institute of Chartered Accountants' new recommendation for disclosures relating to fair value measurements. Section 3862 *Financial Instruments – Disclosures* has been amended to require enhanced disclosure for fair value measurements recognized in the balance sheet. The Plan is required to classify and disclose fair value measurements using a three-tier hierarchy based on the lowest level input that is significant to that fair value measurement.

The adoption of this amendment did not have a significant impact on the Plan's financial statements.

Effective for its fiscal year ended March 31, 2010, the Plan adopted the Canadian Institute of Chartered Accountants' new recommendations for disclosures relating to liquidity risk. Section 3862 *Financial Instruments – Disclosures* has been amended to require enhanced disclosures for liquidity risk in response to current market conditions. The Plan is required to disclose maturity analysis for derivative and non-derivative financial liabilities based on how the Plan manages its liquidity risk.

The adoption of this amendment did not have a significant impact on the Plan's financial statements.

Effective for its fiscal year ended March 31, 2010, the Plan adopted the CICA's Abstract No. 173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities* ("EIC – 173"). EIC-173 requires an entity to take into account its own credit risk and the credit risk of counterparties when determining the fair value of financial assets and financial liabilities, including derivative instruments, and is required to be applied retrospectively without restatement. The adoption of this abstract did not have a material impact on the Plan's financial statements.

b) **Investments**

Pooled fund investments are valued at the unit value supplied by the pooled fund administrator, which represent the underlying net assets of the pooled fund at fair values determined using closing bid prices.

The change in the market value of investments during the year is reflected on the financial statements as a market value adjustment.

c) **Investment Transactions and Income**

Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Dividend income is recognized on the record date. Monetary items denominated in foreign currency are translated at the exchange rate in effect at year-end.

d) **Future Accounting Policy Changes**

The Canadian Accounting Standards Board (AcSB) has decided that while the use of International Financial Reporting Standards (IFRS) will be required for Canadian publicly accountable enterprises for fiscal years beginning on or after January 1, 2011, that the primary standard applicable to pension plans will continue to be the *Canadian Institute of Chartered Accountants (CICA) Handbook – Part IV*, Canadian accounting standards for pension plans. The standard will be effective for annual financial statements for fiscal years beginning on or after January 1, 2011. Earlier application will be permitted. The plan is currently assessing the impact of these changes on the financial statements and related notes.

## 3. Investments

The Saskatchewan Transportation Company Employees Superannuation Fund limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 30% of the market value of the investment portfolio and are denominated in Canadian dollars. The STC Fund's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The STC Fund's pooled funds are comprised of the following:

| | Units Held | | % of Total Units Outstanding | | Market Value | | Investment Income and Change in Market Value | |
|---|---|---|---|---|---|---|---|---|
| | **2010** | **2009** | **2010** | **2009** | **2010** | **2009** | **2010** | **2009** |
| | (000's) | | | | (000's) | | (000's) | |
| Greystone Fixed Income Fund | 492 | 555 | 1.07 | 1.35 | $5,088 | $5,611 | $ 422 | $ 214 |
| Greystone Canadian Equity Fund | 64 | 81 | 0.08 | 0.11 | 1,459 | 1,358 | 486 | (628) |
| Greystone EAFE Plus Fund | 125 | 140 | 0.06 | 0.07 | 927 | 837 | 224 | (427) |
| Greystone US Equity Fund | 87 | 123 | 0.59 | 0.87 | 851 | 1,098 | 104 | (276) |
| Greystone Money Market Fund | 26 | 60 | 0.15 | 0.30 | 256 | 598 | 1 | 25 |
| | | | | | $8,581 | $9,502 | $1,237 | $(1,092) |

The Greystone EAFE Plus Fund holds units in the Greystone EAFE Quantitative Fund and the Greystone EAFE Growth Fund. These funds may use derivative financial instruments such as foreign currency forward exchange contracts and future contracts for hedging foreign currency and replicating indexes.

Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices. Derivatives transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at market value using market prices. Where market prices are not readily available, other valuation techniques are used to determine market value.

**Fair Value**

The Saskatchewan Transportation Company Employees Superannuation Fund has classified its required fair valued financial instrument holdings using a hierarchy that reflects the significance of the inputs used in determining their measurements.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1. Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments valued using inputs that are not based on observable market data are classified as Level 3.

The Plan presently holds only financial instruments that are classified as Level 1.

## 4. Obligation for Accrued Pension Benefits

Public Service Superannuation Plan:

An actuarial valuation of the Public Service Superannuation Plan was performed as at December 31, 2008 and extrapolated to March 31, 2009 and March 31, 2010 by Aon Consulting Inc. The actuary used the projected benefit method prorated on service to determine the actuarial present value of the pensions accrued in respect of service to the valuation date.

The pension liability is based on a number of assumptions about future events including: discount rate, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used. There has been a change in the discount rate since the previous extrapolation done in 2009. The discount rate is based on the yield on Saskatchewan provincial bonds with cash flows that match the timing and amount of expected benefit payments. This yield has decreased from 5.25% to 4.90%, resulting in an increase in the accrued pension benefits. In addition, the mortality improvements in the 1994 Uninsured Pensioner Mortality Table have been projected to 2020, as compared to 2019 for the previous extrapolation. This change also increased the accrued pension benefits.

Significant long-term actuarial assumptions used in determining the accrued pension benefits were:

| | 2010 | 2009 |
|---|---|---|
| Salary escalation rate | 3.50% | 3.50% |
| Inflation rate | 2.50% | 2.50% |
| Discount rate | 4.90% | 5.25% |
| Mortality table | 1994 UPM (projected to 2020) | 1994 UPM (projected to 2019) |
| Indexing | 1.75% (70% CPI) | 1.75% (70% CPI) |

The net experience gain is due to indexing at April 1, 2010 being less than expected.

The following illustrates the effect on the accrued pension benefits of changing the estimated rates of inflation, salary escalation and discount rate.

| | Long-term Assumptions | | | | | |
|---|---|---|---|---|---|---|
| Effect on Accrued Pension Benefits | Inflation* | | Salary** | | Discount Rate** | |
| | 3.50% | 1.50% | 4.50% | 2.50% | 5.90% | 3.90% |
| (Decrease) increase in liability | (3.2%) | 3.3% | 0.1% | (0.1%) | (9.7%) | 11.6% |

* A 1% change in the inflation rate has a corresponding change in the interest rate and salary rate of 1% and in the post-retirement indexing of 0.7%.

** The effects of a change in the salary and discount rates are considered separately from the effects of any other change

Anti-Tuberculosis League Employees Superannuation Plan:

An actuarial valuation of the Anti-Tuberculosis League Employees Superannuation Plan was performed as at December 31, 2008 and extrapolated to March 31, 2009 and March 31, 2010 by Aon Consulting Inc. The actuary used the projected benefit method prorated on service to determine the actuarial present value of the pensions accrued in respect of service to the valuation date.

The pension liability is based on a number of assumptions about future events including: discount rate, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used. There has been a change in the discount rate since the previous extrapolation done in 2009. The discount rate is based on the yield on Saskatchewan provincial bonds with cash flows that match the timing and amount of expected benefit payments. This yield has decreased from 5.25% to 4.90%, resulting in an increase in the accrued pension benefits. In addition, the mortality improvements in the 1994 Uninsured Pensioner Mortality Table have been projected to 2016, as compared to 2015 for the previous extrapolation. This change also increased the accrued pension benefits.

Significant long-term actuarial assumptions used in determining the accrued pension benefits were:

| | 2010 | 2009 |
|---|---|---|
| Inflation rate | 2.50% | 2.50% |
| Discount rate | 4.90% | 5.25% |
| Mortality table | 1994 UPM (projected to 2016) | 1994 UPM (projected to 2015) |
| Indexing | 1.75% (70% CPI) | 1.75% (70% CPI) |

The net experience gain is due to indexing at April 1, 2010 being less than expected.

The following illustrates the effect on the accrued pension benefits of changing the estimated rates of inflation and discount rate.

| | Long-term Assumptions | | | |
|---|---|---|---|---|
| Effect on Accrued Pension Benefits | Inflation* | | Discount Rate** | |
| | 3.50% | 1.50% | 5.90% | 3.90% |
| (Decrease) increase in liability | (2.2%) | 2.4 % | (5.8%) | 6.6% |

* A 1% change in the inflation rate has a corresponding change in the interest rate and salary rate of 1% and in the post-retirement indexing of 0.7%.

** The effects of a change in the discount rates are considered separately from the effects of any other change

Saskatchewan Transportation Company Employees Superannuation Plan:

An actuarial valuation of the Saskatchewan Transportation Company Employees Superannuation Plan was performed as at December 31, 2008 and extrapolated to March 31, 2009 and March 31, 2010 by Aon Consulting Inc. The actuary used the projected benefit method prorated on service to determine the actuarial present value of the pensions accrued in respect of service to the valuation date.

The pension liability is based on a number of assumptions about future events including: discount rate, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used. There has been a change in the discount rate since the previous extrapolation done in 2009. The ultimate discount rate is based on the yield on Saskatchewan provincial bonds with cash flows that match the timing and amount of expected benefit payments after the exhaustion of the invested assets of the plan, which are expected to earn 5.75% per annum. This yield has decreased from 5.25% to 5.00%, resulting in an increase in the accrued pension benefits. In addition, the mortality improvements in the 1994 Uninsured Pensioner Mortality Table have been projected to 2018, as compared to 2017 for the previous extrapolation. This change also increased the accrued pension benefits.

Significant long-term actuarial assumptions used in determining the accrued pension benefits were:

| | 2010 | 2009 |
|---|---|---|
| Salary escalation rate | 3.50% | 3.50% |
| Inflation rate | 2.50% | 2.50% |
| Discount rate | 5.75% for 4 years, 5.00% thereafter | 5.75% for 5 years, 5.25% thereafter |
| Mortality table | 1994 UPM (projected to 2018) | 1994 UPM (projected to 2017) |
| Indexing | 1.75% (70% CPI) | 1.75% (70% CPI) |

The net experience gain is due to indexing at April 1, 2010 being less than expected.

The following illustrates the effect on the accrued pension benefits of changing the estimated rates of inflation, salary escalation and discount rate.

| | Long-term Assumptions | | | | | |
|---|---|---|---|---|---|---|
| | Inflation* | | Salary** | | Discount Rate** | |
| Effect on Accrued Pension Benefits | 3.50% | 1.50% | 4.50% | 2.50% | 6.75% for 4 years, 6.00% thereafter | 4.75% for 4 years, 4.00% thereafter |
| (Decrease) increase in liability | (3.0%) | 3.1% | 0.1% | (0.1%) | (8.5%) | 10.0% |

* A 1% change in the inflation rate has a corresponding change in the interest rate and salary rate of 1% and in the post-retirement indexing of 0.7%.

** The effects of a change in the salary and discount rates are considered separately from the effects of any other change

## 5. Due from General Revenue Fund

The STC Fund and the AntiTB Fund bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Each Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty-day borrowing rate in the current year was 0.27% (2009–1.95%).

## 6. Deficiency Contribution from the General Revenue Fund

Under Section 40 of *The Public Service Superannuation Act,* all funds received by the Board for the PSSF are recorded as revenue of the General Revenue Fund. No funds are set aside for the payment of future benefits. All allowances and other payments are made out of the General Revenue Fund. The transactions relating to employers' and employees' contributions, superannuation allowances and refunds and transfers are recorded in these financial statements for accountability purposes.

Any deficiency of allowances and other payments over employers' and employees' contributions are recorded as a Deficiency Contribution from the General Revenue Fund. The administration costs of the PSSF are borne by the General Revenue Fund (see Note 7).

Subsections 60.1(12) and 60.2(13) of *The Public Service Superannuation Act* states that if there is insufficient money in the STC Fund and the AntiTB Fund to pay allowances or make other

payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

## 7. Related Party Transactions

The annual operating expenditures associated with the administration of the STC Fund and AntiTB Fund are paid to the Public Employees Benefits Agency Revolving Fund except for investment management fees incurred for the STC Fund which are paid directly to Greystone Capital Management Inc.

| | 2010 (000's) | | | | | | 2009 (000's) | | |
|---|---|---|---|---|---|---|---|---|---|
| | AntiTB | | STC | | Total | | | | |
| | Budget | Actual | Budget | Actual | Budget | Actual | AntiTB | STC | Total |
| Administration costs | $13 | $15 | $37 | $35 | $50 | $50 | $15 | $33 | $48 |
| Investment management fees | - | - | 22 | 18 | 22 | 18 | - | 22 | 22 |
| | $13 | $15 | $59 | $53 | $72 | $68 | $15 | $55 | $70 |

In accordance with subsection 3(3) of *The Public Service Superannuation Act*, all general administrative and employee costs required for the administration of the Public Service Superannuation Fund are paid out of the General Revenue Fund. Accordingly, no provision for these costs is included in these financial statements. Administration costs for the year were $1,195,167 (2009 - $1,242,418).

## 8. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments, the fair value approximates their carrying value due to their immediate or short-term nature:

a) Due from General Revenue Fund
b) Employees' contributions receivable
c) Employers' contributions receivable
d) Other receivables
e) Contributions payable to General Revenue Fund
f) Accounts payable and accrued liabilities

Calculation of the fair value of investments is disclosed in Note 2.

The fair value of accrued pension benefits cannot be readily determined, however, information about the estimated provision is provided in Note 4.

## 9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the STC Fund in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the STC Fund's investment performance:

| | 2010 | 2009 | Rolling Four Year Average Annual Return |
|---|---|---|---|
| Fund's actual rate of return (a) | 14.1% | (9.4%) | 3.4% |
| Fund's benchmark (b) | 13.5% | (8.7%) | 3.2% |

(a) The annual returns are before deducting investment expenses.
(b) The Fund's benchmark for its investment portfolio has been determined using the actual returns of the market indexes such as the S&P/Toronto Stock Exchange Capped Composite Index, the S&P 500 Index, the Morgan Stanley Capped International Europe Australia Far East Index and the DEX Universe Bond Index.

## 10. Financial Risk Management

The nature of the Plan's operations results in a statement of net assets available for benefits, accrued pension benefits and unfunded liability that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the STC Fund's investments. These financial risks are managed by having an investment policy, which is approved annually by the Board. The investment policy provides guidelines to the STC Fund's investments managers for the asset mix of the portfolio regarding quality and quantity of fixed income and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Board reviews regular compliance reports from its investment managers and custodian as to their compliance with the investment policy. The Board also reviews regular compliance reports from its custodian as to the investment managers' compliance with the investment policy.

### Credit risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from accounts receivable and fixed income investments. The maximum credit risk to which it is exposed at March 31, 2010 is limited to the carrying value of the financial assets summarized as follows:

| | 2010 Carrying value ( $000's) | 2009 Carrying value ( $000's) |
|---|---|---|
| Employee contributions receivable | $ 60 | $ 80 |
| Employers contributions receivable | 22 | 36 |
| Other receivables | 41 | 87 |
| Due from the General Revenue Fund | 7 | 5 |
| Fixed income investments[1] | 5,344 | 6,209 |

[1] Includes the fixed income and money market pooled funds.

Employee and employer contributions receivable are generally received in less than 30 days. Credit risk within investments is primarily related to the money market pooled fund and the fixed income pooled fund. It is managed through the investment policy that limits fixed term investments to those of high credit quality (minimum rating for bonds is BBB, short-term investments is R-1) along with limits to the maximum notional amount of exposure with respect to any one issuer.

**Market risk**

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest rate risk

The STC Fund is exposed to changes in interest rates in its fixed income pooled fund. Duration is a measure used to estimate the extent market values of fixed income instruments change with changes in interest rates. Using this measure, it is estimated that a 100 basis point change in interest rates would change the net assets available for benefits and the unfunded liability by $0.35 million at March 31, 2010 representing 6.9% of the $5.1 million fair value of fixed income pooled funds.

Foreign exchange

The STC Fund is subject to changes in the U.S. dollar exchange through its U.S. equity pooled fund. Also, the STC Fund is exposed to EAFE (Europe, Australia and Far East) currencies through its investment in EAFE equity pooled fund. Exposure to both U.S. and non-North American equity pooled funds is limited to a maximum 20% each of the market value of the total investment portfolio. At March 31, 2010, the STC Fund's exposure to the U.S. equity pooled fund was 9.9% (2009 – 11.6%) and its exposure to non-north American equity pooled fund was 10.8% (2009 – 8.8%).

At March 31, 2010, a 10% change in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a $0.09 million change in the net assets available for benefits and the unfunded liability. A 10% change in the Canadian dollar versus the EAFE currencies would result in approximately a $0.09 million change in the net assets available for benefits and the unfunded liability.

Equity prices

The STC Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equity pooled funds comprise 37.7% (2009 – 34.7%) of the carrying value of the STC Fund's total investments. Individual pooled funds are diversified by geography, industry type and corporate entity. No one investee represents greater than 10% of the market value of the STC Fund.

The following table indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and unfunded liability based on changes in the STC Fund's benchmark indices March 31, 2010:

| | (Change in $000's) | |
|---|---|---|
| | 10% increase | 10% decrease |
| S&P/TSX Composite Index | $146 | $(146) |
| S&P 500 Index | 85 | (85) |
| MSCI EAFE Index | 93 | (93) |

**Liquidity risk**

Liquidity risk is the risk that the Plan is unable to meet its financial obligations as they fall due. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable and accrued liabilities will be paid within the next fiscal period.

## 11. Cash Flow Forecast

The total cash inflows are the amount of contributions expected to be received by the pension plan. The total cash outflows are the amounts required to pay all accrued pension benefits. The forecast of cash inflows and outflows have been determined using the long-term assumptions outlined in Note 4. The expected net cash flows are based on actual dollar forecasts unadjusted for inflation.

The cash required for PSSF is the amount by which the cash outflows exceed cash inflows and is forecast to the end of the year 2040.

| Year | Cash Inflows (000's) | Cash Outflows (000's) | Cash Required (000's) |
|---|---|---|---|
| 2010-2011 | $1,417 | $ 132,873 | $ 131,456 |
| 2011-2012 | 735 | 138,532 | 137,797 |
| 2012-2013 | 199 | 142,663 | 142,464 |
| 2013-2014 | 25 | 142,065 | 142,040 |
| 2014-2015 | 16 | 139,801 | 139,785 |
| Total within 5 years | $2,392 | $ 695,934 | $ 693,542 |
| Total 5 - 10 years | $ 17 | $ 659,775 | $ 659,758 |
| Total 11 - 30 years | $ - | $1,876,513 | $1,876,513 |

The estimated net cash outflows for the AntiTB Fund for the next 5 years is $1.9 million, for the next 10 years $3.1 million and for the next 30 years $4.5 million. The estimated net cash outflows for the STC Fund for the next 5 years is $9.7 million, for the next 10 years $19.5 million, and for the next 30 years $42.0 million.

# Appendix 'A'

## Description of Market Indices

### S&P/TSX Composite Index

Effective May 1, 2002, the TSE 300 index is now known as the S&P/TSX Composite Index. The index comprises approximately 71 per cent of market capitalization for Canadian-based, Toronto Stock Exchange listed companies. It is calculated on a float market capitalization and is the broadest Canadian equity index available. The index also serves as the premier benchmark for Canadian pension funds and mutual market funds.

### S&P/TSX Capped Composite Index

S&P/TSX CPMS Cap 10 Index is a capitalization-weighted index comprised of all of the stocks included in the S&P/TSX Composite Index. The float capitalization weight of any stock that exceeds 10% of the S&P/TSX Composite Index is capped at 10% of the CPMS Cap 10 Index on a daily basis.

### S&P 500

Standard & Poor's 500 Composite Stock Index consists of the largest 500 companies in the United States chosen for market size, liquidity and industry group representation. It is a market-value weighted index, with each stock's weight in the index proportionate to its market value. For the purposes of this report, the S&P Index returns are converted from U.S. dollars into Canadian dollars and, therefore, reflect currency gains or losses.

### MSCI EAFE

Morgan Stanley Capital International Europe, Australasia and Far East Index is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 21 European and Pacific Basin Countries and includes reinvestment of all dividends. This index aims to capture 85% of the free float adjusted market capitalization in each industry group in each country. Individuals cannot invest directly in an index. The index is computed on a float-based capitalization.

### DEX Universe Bond Index

Formerly the SC Universe Bond Index, the DEX Universe Bond Index covers all marketable Canadian bonds with term to maturity of more than one year. The Universe contains over 1,000 marketable Canadian bonds with an average term of 10 years and an average duration of 6.5 years. The purpose of the index is to reflect the performance of the broad "Canadian Bond Market" in a similar manner to the S&P/TSX Composite Index.

### DEX 91-Day T-Bill Index

Canada Treasury Bills represent the highest quality short-term instruments available. The index is constructed by selling and repurchasing Government of Canada T-Bills with an average term to maturity of 91 days. The DEX 91-Day T Bill Index is calculated and marked to market daily. Prior to June 2007, it was known as the SC 91-Day Treasury Bond Index.